



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0024

Introduced 1/19/2007, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

15 ILCS 15/3.1	from Ch. 127, par. 1803.1
20 ILCS 2505/2505-305	was 20 ILCS 2505/39b15.1
40 ILCS 5/14-110	from Ch. 108 1/2, par. 14-110
230 ILCS 10/4	from Ch. 120, par. 2404
230 ILCS 10/5	from Ch. 120, par. 2405
230 ILCS 10/5.2 new	
230 ILCS 10/13	from Ch. 120, par. 2413

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois and the Riverboat Gambling Act. Separates the Illinois Gaming Board from the Department of Revenue for the purposes of enforcing and administering the Riverboat Gambling Act. Makes conforming changes. In provisions concerning the powers and duties of the Board, removes language allowing the Director of Revenue to delegate responsibility for the administration and enforcement of certain Acts concerning gaming to the Board and adds language concerning appointing investigators. Makes changes concerning appropriations from the State Gaming Fund. Makes other changes. Amends the Executive Reorganization Implementation Act. Excludes the Illinois Gaming Board from the definition of "agency directly responsible to the Governor". Amends the State Employees Article of the Illinois Pension Code. Adds investigators for the Illinois Gaming Board to provisions concerning the alternative formula. Effective immediately.

LRB095 03459 AMC 23463 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Executive Reorganization Implementation Act
5 is amended by changing Section 3.1 as follows:

6 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

7 Sec. 3.1. "Agency directly responsible to the Governor" or
8 "agency" means any office, officer, division, or part thereof,
9 and any other office, nonelective officer, department,
10 division, bureau, board, or commission in the executive branch
11 of State government, except that it does not apply to any
12 agency whose primary function is service to the General
13 Assembly or the Judicial Branch of State government, or to any
14 agency administered by the Attorney General, Secretary of
15 State, State Comptroller or State Treasurer. In addition the
16 term does not apply to the following agencies created by law
17 with the primary responsibility of exercising regulatory or
18 adjudicatory functions independently of the Governor:

- 19 (1) the State Board of Elections;
20 (2) the State Board of Education;
21 (3) the Illinois Commerce Commission;
22 (4) the Illinois Workers' Compensation Commission;
23 (5) the Civil Service Commission;

- 1 (6) the Fair Employment Practices Commission;
2 (7) the Pollution Control Board;
3 (8) the Department of State Police Merit Board;
4 (9) The Illinois Gaming Board.

5 (Source: P.A. 93-721, eff. 1-1-05.)

6 Section 10. The Department of Revenue Law of the Civil
7 Administrative Code of Illinois is amended by changing Section
8 2505-305 as follows:

9 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

10 Sec. 2505-305. Investigators.

11 (a) The Department has the power to appoint investigators
12 to conduct all investigations, searches, seizures, arrests,
13 and other duties imposed under the provisions of any law
14 administered by the Department ~~or the Illinois Gaming Board.~~
15 These ~~Except as provided in subsection (c), these~~ investigators
16 have and may exercise all the powers of peace officers solely
17 for the purpose of enforcing taxing measures administered by
18 the Department ~~or the Illinois Gaming Board.~~

19 (b) The Director must authorize to each investigator
20 employed under this Section and to any other employee of the
21 Department exercising the powers of a peace officer a distinct
22 badge that, on its face, (i) clearly states that the badge is
23 authorized by the Department and (ii) contains a unique
24 identifying number. No other badge shall be authorized by the

1 Department.

2 (c) (Blank). ~~Investigators appointed under this Section~~
3 ~~who are assigned to the Illinois Gaming Board have and may~~
4 ~~exercise all the rights and powers of peace officers, provided~~
5 ~~that these powers shall be limited to offenses or violations~~
6 ~~occurring or committed on a riverboat or dock, as defined in~~
7 ~~subsections (d) and (f) of Section 4 of the Riverboat Gambling~~
8 ~~Act.~~

9 (Source: P.A. 91-239, eff. 1-1-00; 91-883, eff. 1-1-01; 92-493,
10 eff. 1-1-02.)

11 Section 15. The Illinois Pension Code is amended by
12 changing Section 14-110 as follows:

13 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

14 Sec. 14-110. Alternative retirement annuity.

15 (a) Any member who has withdrawn from service with not less
16 than 20 years of eligible creditable service and has attained
17 age 55, and any member who has withdrawn from service with not
18 less than 25 years of eligible creditable service and has
19 attained age 50, regardless of whether the attainment of either
20 of the specified ages occurs while the member is still in
21 service, shall be entitled to receive at the option of the
22 member, in lieu of the regular or minimum retirement annuity, a
23 retirement annuity computed as follows:

24 (i) for periods of service as a noncovered employee: if

1 retirement occurs on or after January 1, 2001, 3% of final
2 average compensation for each year of creditable service;
3 if retirement occurs before January 1, 2001, 2 1/4% of
4 final average compensation for each of the first 10 years
5 of creditable service, 2 1/2% for each year above 10 years
6 to and including 20 years of creditable service, and 2 3/4%
7 for each year of creditable service above 20 years; and

8 (ii) for periods of eligible creditable service as a
9 covered employee: if retirement occurs on or after January
10 1, 2001, 2.5% of final average compensation for each year
11 of creditable service; if retirement occurs before January
12 1, 2001, 1.67% of final average compensation for each of
13 the first 10 years of such service, 1.90% for each of the
14 next 10 years of such service, 2.10% for each year of such
15 service in excess of 20 but not exceeding 30, and 2.30% for
16 each year in excess of 30.

17 Such annuity shall be subject to a maximum of 75% of final
18 average compensation if retirement occurs before January 1,
19 2001 or to a maximum of 80% of final average compensation if
20 retirement occurs on or after January 1, 2001.

21 These rates shall not be applicable to any service
22 performed by a member as a covered employee which is not
23 eligible creditable service. Service as a covered employee
24 which is not eligible creditable service shall be subject to
25 the rates and provisions of Section 14-108.

26 (b) For the purpose of this Section, "eligible creditable

1 service" means creditable service resulting from service in one
2 or more of the following positions:

3 (1) State policeman;

4 (2) fire fighter in the fire protection service of a
5 department;

6 (3) air pilot;

7 (4) special agent;

8 (5) investigator for the Secretary of State;

9 (6) conservation police officer;

10 (7) investigator for the Department of Revenue or the
11 Illinois Gaming Board;

12 (8) security employee of the Department of Human
13 Services;

14 (9) Central Management Services security police
15 officer;

16 (10) security employee of the Department of
17 Corrections or the Department of Juvenile Justice;

18 (11) dangerous drugs investigator;

19 (12) investigator for the Department of State Police;

20 (13) investigator for the Office of the Attorney
21 General;

22 (14) controlled substance inspector;

23 (15) investigator for the Office of the State's
24 Attorneys Appellate Prosecutor;

25 (16) Commerce Commission police officer;

26 (17) arson investigator;

1 (18) State highway maintenance worker.

2 A person employed in one of the positions specified in this
3 subsection is entitled to eligible creditable service for
4 service credit earned under this Article while undergoing the
5 basic police training course approved by the Illinois Law
6 Enforcement Training Standards Board, if completion of that
7 training is required of persons serving in that position. For
8 the purposes of this Code, service during the required basic
9 police training course shall be deemed performance of the
10 duties of the specified position, even though the person is not
11 a sworn peace officer at the time of the training.

12 (c) For the purposes of this Section:

13 (1) The term "state policeman" includes any title or
14 position in the Department of State Police that is held by
15 an individual employed under the State Police Act.

16 (2) The term "fire fighter in the fire protection
17 service of a department" includes all officers in such fire
18 protection service including fire chiefs and assistant
19 fire chiefs.

20 (3) The term "air pilot" includes any employee whose
21 official job description on file in the Department of
22 Central Management Services, or in the department by which
23 he is employed if that department is not covered by the
24 Personnel Code, states that his principal duty is the
25 operation of aircraft, and who possesses a pilot's license;
26 however, the change in this definition made by this

1 amendatory Act of 1983 shall not operate to exclude any
2 noncovered employee who was an "air pilot" for the purposes
3 of this Section on January 1, 1984.

4 (4) The term "special agent" means any person who by
5 reason of employment by the Division of Narcotic Control,
6 the Bureau of Investigation or, after July 1, 1977, the
7 Division of Criminal Investigation, the Division of
8 Internal Investigation, the Division of Operations, or any
9 other Division or organizational entity in the Department
10 of State Police is vested by law with duties to maintain
11 public order, investigate violations of the criminal law of
12 this State, enforce the laws of this State, make arrests
13 and recover property. The term "special agent" includes any
14 title or position in the Department of State Police that is
15 held by an individual employed under the State Police Act.

16 (5) The term "investigator for the Secretary of State"
17 means any person employed by the Office of the Secretary of
18 State and vested with such investigative duties as render
19 him ineligible for coverage under the Social Security Act
20 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
21 218(1)(1) of that Act.

22 A person who became employed as an investigator for the
23 Secretary of State between January 1, 1967 and December 31,
24 1975, and who has served as such until attainment of age
25 60, either continuously or with a single break in service
26 of not more than 3 years duration, which break terminated

1 before January 1, 1976, shall be entitled to have his
2 retirement annuity calculated in accordance with
3 subsection (a), notwithstanding that he has less than 20
4 years of credit for such service.

5 (6) The term "Conservation Police Officer" means any
6 person employed by the Division of Law Enforcement of the
7 Department of Natural Resources and vested with such law
8 enforcement duties as render him ineligible for coverage
9 under the Social Security Act by reason of Sections
10 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
11 term "Conservation Police Officer" includes the positions
12 of Chief Conservation Police Administrator and Assistant
13 Conservation Police Administrator.

14 (7) The term "investigator for the Department of
15 Revenue" means any person employed by the Department of
16 Revenue and vested with such investigative duties as render
17 him ineligible for coverage under the Social Security Act
18 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
19 218(1)(1) of that Act.

20 The term "investigator for the Illinois Gaming Board"
21 means any person employed as such by the Illinois Gaming
22 Board and vested with such peace officer duties as render
23 the person ineligible for coverage under the Social
24 Security Act by reason of Sections 218(d)(5)(A),
25 218(d)(8)(D), and 218(1)(1) of that Act.

26 (8) The term "security employee of the Department of

1 Human Services" means any person employed by the Department
2 of Human Services who (i) is employed at the Chester Mental
3 Health Center and has daily contact with the residents
4 thereof, (ii) is employed within a security unit at a
5 facility operated by the Department and has daily contact
6 with the residents of the security unit, (iii) is employed
7 at a facility operated by the Department that includes a
8 security unit and is regularly scheduled to work at least
9 50% of his or her working hours within that security unit,
10 or (iv) is a mental health police officer. "Mental health
11 police officer" means any person employed by the Department
12 of Human Services in a position pertaining to the
13 Department's mental health and developmental disabilities
14 functions who is vested with such law enforcement duties as
15 render the person ineligible for coverage under the Social
16 Security Act by reason of Sections 218(d)(5)(A),
17 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
18 means that portion of a facility that is devoted to the
19 care, containment, and treatment of persons committed to
20 the Department of Human Services as sexually violent
21 persons, persons unfit to stand trial, or persons not
22 guilty by reason of insanity. With respect to past
23 employment, references to the Department of Human Services
24 include its predecessor, the Department of Mental Health
25 and Developmental Disabilities.

26 The changes made to this subdivision (c)(8) by Public

1 Act 92-14 apply to persons who retire on or after January
2 1, 2001, notwithstanding Section 1-103.1.

3 (9) "Central Management Services security police
4 officer" means any person employed by the Department of
5 Central Management Services who is vested with such law
6 enforcement duties as render him ineligible for coverage
7 under the Social Security Act by reason of Sections
8 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

9 (10) For a member who first became an employee under
10 this Article before July 1, 2005, the term "security
11 employee of the Department of Corrections or the Department
12 of Juvenile Justice" means any employee of the Department
13 of Corrections or the Department of Juvenile Justice or the
14 former Department of Personnel, and any member or employee
15 of the Prisoner Review Board, who has daily contact with
16 inmates or youth by working within a correctional facility
17 or Juvenile facility operated by the Department of Juvenile
18 Justice or who is a parole officer or an employee who has
19 direct contact with committed persons in the performance of
20 his or her job duties. For a member who first becomes an
21 employee under this Article on or after July 1, 2005, the
22 term means an employee of the Department of Corrections or
23 the Department of Juvenile Justice who is any of the
24 following: (i) officially headquartered at a correctional
25 facility or Juvenile facility operated by the Department of
26 Juvenile Justice, (ii) a parole officer, (iii) a member of

1 the apprehension unit, (iv) a member of the intelligence
2 unit, (v) a member of the sort team, or (vi) an
3 investigator.

4 (11) The term "dangerous drugs investigator" means any
5 person who is employed as such by the Department of Human
6 Services.

7 (12) The term "investigator for the Department of State
8 Police" means a person employed by the Department of State
9 Police who is vested under Section 4 of the Narcotic
10 Control Division Abolition Act with such law enforcement
11 powers as render him ineligible for coverage under the
12 Social Security Act by reason of Sections 218(d)(5)(A),
13 218(d)(8)(D) and 218(1)(1) of that Act.

14 (13) "Investigator for the Office of the Attorney
15 General" means any person who is employed as such by the
16 Office of the Attorney General and is vested with such
17 investigative duties as render him ineligible for coverage
18 under the Social Security Act by reason of Sections
19 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
20 the period before January 1, 1989, the term includes all
21 persons who were employed as investigators by the Office of
22 the Attorney General, without regard to social security
23 status.

24 (14) "Controlled substance inspector" means any person
25 who is employed as such by the Department of Professional
26 Regulation and is vested with such law enforcement duties

1 as render him ineligible for coverage under the Social
2 Security Act by reason of Sections 218(d)(5)(A),
3 218(d)(8)(D) and 218(1)(1) of that Act. The term
4 "controlled substance inspector" includes the Program
5 Executive of Enforcement and the Assistant Program
6 Executive of Enforcement.

7 (15) The term "investigator for the Office of the
8 State's Attorneys Appellate Prosecutor" means a person
9 employed in that capacity on a full time basis under the
10 authority of Section 7.06 of the State's Attorneys
11 Appellate Prosecutor's Act.

12 (16) "Commerce Commission police officer" means any
13 person employed by the Illinois Commerce Commission who is
14 vested with such law enforcement duties as render him
15 ineligible for coverage under the Social Security Act by
16 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
17 218(1)(1) of that Act.

18 (17) "Arson investigator" means any person who is
19 employed as such by the Office of the State Fire Marshal
20 and is vested with such law enforcement duties as render
21 the person ineligible for coverage under the Social
22 Security Act by reason of Sections 218(d)(5)(A),
23 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
24 employed as an arson investigator on January 1, 1995 and is
25 no longer in service but not yet receiving a retirement
26 annuity may convert his or her creditable service for

1 employment as an arson investigator into eligible
2 creditable service by paying to the System the difference
3 between the employee contributions actually paid for that
4 service and the amounts that would have been contributed if
5 the applicant were contributing at the rate applicable to
6 persons with the same social security status earning
7 eligible creditable service on the date of application.

8 (18) The term "State highway maintenance worker" means
9 a person who is either of the following:

10 (i) A person employed on a full-time basis by the
11 Illinois Department of Transportation in the position
12 of highway maintainer, highway maintenance lead
13 worker, highway maintenance lead/lead worker, heavy
14 construction equipment operator, power shovel
15 operator, or bridge mechanic; and whose principal
16 responsibility is to perform, on the roadway, the
17 actual maintenance necessary to keep the highways that
18 form a part of the State highway system in serviceable
19 condition for vehicular traffic.

20 (ii) A person employed on a full-time basis by the
21 Illinois State Toll Highway Authority in the position
22 of equipment operator/laborer H-4, equipment
23 operator/laborer H-6, welder H-4, welder H-6,
24 mechanical/electrical H-4, mechanical/electrical H-6,
25 water/sewer H-4, water/sewer H-6, sign maker/hanger
26 H-4, sign maker/hanger H-6, roadway lighting H-4,

1 roadway lighting H-6, structural H-4, structural H-6,
2 painter H-4, or painter H-6; and whose principal
3 responsibility is to perform, on the roadway, the
4 actual maintenance necessary to keep the Authority's
5 tollways in serviceable condition for vehicular
6 traffic.

7 (d) A security employee of the Department of Corrections or
8 the Department of Juvenile Justice, and a security employee of
9 the Department of Human Services who is not a mental health
10 police officer, shall not be eligible for the alternative
11 retirement annuity provided by this Section unless he or she
12 meets the following minimum age and service requirements at the
13 time of retirement:

14 (i) 25 years of eligible creditable service and age 55;

15 or

16 (ii) beginning January 1, 1987, 25 years of eligible
17 creditable service and age 54, or 24 years of eligible
18 creditable service and age 55; or

19 (iii) beginning January 1, 1988, 25 years of eligible
20 creditable service and age 53, or 23 years of eligible
21 creditable service and age 55; or

22 (iv) beginning January 1, 1989, 25 years of eligible
23 creditable service and age 52, or 22 years of eligible
24 creditable service and age 55; or

25 (v) beginning January 1, 1990, 25 years of eligible
26 creditable service and age 51, or 21 years of eligible

1 creditable service and age 55; or

2 (vi) beginning January 1, 1991, 25 years of eligible
3 creditable service and age 50, or 20 years of eligible
4 creditable service and age 55.

5 Persons who have service credit under Article 16 of this
6 Code for service as a security employee of the Department of
7 Corrections or the Department of Juvenile Justice, or the
8 Department of Human Services in a position requiring
9 certification as a teacher may count such service toward
10 establishing their eligibility under the service requirements
11 of this Section; but such service may be used only for
12 establishing such eligibility, and not for the purpose of
13 increasing or calculating any benefit.

14 (e) If a member enters military service while working in a
15 position in which eligible creditable service may be earned,
16 and returns to State service in the same or another such
17 position, and fulfills in all other respects the conditions
18 prescribed in this Article for credit for military service,
19 such military service shall be credited as eligible creditable
20 service for the purposes of the retirement annuity prescribed
21 in this Section.

22 (f) For purposes of calculating retirement annuities under
23 this Section, periods of service rendered after December 31,
24 1968 and before October 1, 1975 as a covered employee in the
25 position of special agent, conservation police officer, mental
26 health police officer, or investigator for the Secretary of

1 State, shall be deemed to have been service as a noncovered
2 employee, provided that the employee pays to the System prior
3 to retirement an amount equal to (1) the difference between the
4 employee contributions that would have been required for such
5 service as a noncovered employee, and the amount of employee
6 contributions actually paid, plus (2) if payment is made after
7 July 31, 1987, regular interest on the amount specified in item
8 (1) from the date of service to the date of payment.

9 For purposes of calculating retirement annuities under
10 this Section, periods of service rendered after December 31,
11 1968 and before January 1, 1982 as a covered employee in the
12 position of investigator for the Department of Revenue shall be
13 deemed to have been service as a noncovered employee, provided
14 that the employee pays to the System prior to retirement an
15 amount equal to (1) the difference between the employee
16 contributions that would have been required for such service as
17 a noncovered employee, and the amount of employee contributions
18 actually paid, plus (2) if payment is made after January 1,
19 1990, regular interest on the amount specified in item (1) from
20 the date of service to the date of payment.

21 (g) A State policeman may elect, not later than January 1,
22 1990, to establish eligible creditable service for up to 10
23 years of his service as a policeman under Article 3, by filing
24 a written election with the Board, accompanied by payment of an
25 amount to be determined by the Board, equal to (i) the
26 difference between the amount of employee and employer

1 contributions transferred to the System under Section 3-110.5,
2 and the amounts that would have been contributed had such
3 contributions been made at the rates applicable to State
4 policemen, plus (ii) interest thereon at the effective rate for
5 each year, compounded annually, from the date of service to the
6 date of payment.

7 Subject to the limitation in subsection (i), a State
8 policeman may elect, not later than July 1, 1993, to establish
9 eligible creditable service for up to 10 years of his service
10 as a member of the County Police Department under Article 9, by
11 filing a written election with the Board, accompanied by
12 payment of an amount to be determined by the Board, equal to
13 (i) the difference between the amount of employee and employer
14 contributions transferred to the System under Section 9-121.10
15 and the amounts that would have been contributed had those
16 contributions been made at the rates applicable to State
17 policemen, plus (ii) interest thereon at the effective rate for
18 each year, compounded annually, from the date of service to the
19 date of payment.

20 (h) Subject to the limitation in subsection (i), a State
21 policeman or investigator for the Secretary of State may elect
22 to establish eligible creditable service for up to 12 years of
23 his service as a policeman under Article 5, by filing a written
24 election with the Board on or before January 31, 1992, and
25 paying to the System by January 31, 1994 an amount to be
26 determined by the Board, equal to (i) the difference between

1 the amount of employee and employer contributions transferred
2 to the System under Section 5-236, and the amounts that would
3 have been contributed had such contributions been made at the
4 rates applicable to State policemen, plus (ii) interest thereon
5 at the effective rate for each year, compounded annually, from
6 the date of service to the date of payment.

7 Subject to the limitation in subsection (i), a State
8 policeman, conservation police officer, or investigator for
9 the Secretary of State may elect to establish eligible
10 creditable service for up to 10 years of service as a sheriff's
11 law enforcement employee under Article 7, by filing a written
12 election with the Board on or before January 31, 1993, and
13 paying to the System by January 31, 1994 an amount to be
14 determined by the Board, equal to (i) the difference between
15 the amount of employee and employer contributions transferred
16 to the System under Section 7-139.7, and the amounts that would
17 have been contributed had such contributions been made at the
18 rates applicable to State policemen, plus (ii) interest thereon
19 at the effective rate for each year, compounded annually, from
20 the date of service to the date of payment.

21 (i) The total amount of eligible creditable service
22 established by any person under subsections (g), (h), (j), (k),
23 and (l) of this Section shall not exceed 12 years.

24 (j) Subject to the limitation in subsection (i), an
25 investigator for the Office of the State's Attorneys Appellate
26 Prosecutor or a controlled substance inspector may elect to

1 establish eligible creditable service for up to 10 years of his
2 service as a policeman under Article 3 or a sheriff's law
3 enforcement employee under Article 7, by filing a written
4 election with the Board, accompanied by payment of an amount to
5 be determined by the Board, equal to (1) the difference between
6 the amount of employee and employer contributions transferred
7 to the System under Section 3-110.6 or 7-139.8, and the amounts
8 that would have been contributed had such contributions been
9 made at the rates applicable to State policemen, plus (2)
10 interest thereon at the effective rate for each year,
11 compounded annually, from the date of service to the date of
12 payment.

13 (k) Subject to the limitation in subsection (i) of this
14 Section, an alternative formula employee may elect to establish
15 eligible creditable service for periods spent as a full-time
16 law enforcement officer or full-time corrections officer
17 employed by the federal government or by a state or local
18 government located outside of Illinois, for which credit is not
19 held in any other public employee pension fund or retirement
20 system. To obtain this credit, the applicant must file a
21 written application with the Board by March 31, 1998,
22 accompanied by evidence of eligibility acceptable to the Board
23 and payment of an amount to be determined by the Board, equal
24 to (1) employee contributions for the credit being established,
25 based upon the applicant's salary on the first day as an
26 alternative formula employee after the employment for which

1 credit is being established and the rates then applicable to
2 alternative formula employees, plus (2) an amount determined by
3 the Board to be the employer's normal cost of the benefits
4 accrued for the credit being established, plus (3) regular
5 interest on the amounts in items (1) and (2) from the first day
6 as an alternative formula employee after the employment for
7 which credit is being established to the date of payment.

8 (l) Subject to the limitation in subsection (i), a security
9 employee of the Department of Corrections may elect, not later
10 than July 1, 1998, to establish eligible creditable service for
11 up to 10 years of his or her service as a policeman under
12 Article 3, by filing a written election with the Board,
13 accompanied by payment of an amount to be determined by the
14 Board, equal to (i) the difference between the amount of
15 employee and employer contributions transferred to the System
16 under Section 3-110.5, and the amounts that would have been
17 contributed had such contributions been made at the rates
18 applicable to security employees of the Department of
19 Corrections, plus (ii) interest thereon at the effective rate
20 for each year, compounded annually, from the date of service to
21 the date of payment.

22 (m) The amendatory changes to this Section made by this
23 amendatory Act of the 94th General Assembly apply only to: (1)
24 security employees of the Department of Juvenile Justice
25 employed by the Department of Corrections before the effective
26 date of this amendatory Act of the 94th General Assembly and

1 transferred to the Department of Juvenile Justice by this
2 amendatory Act of the 94th General Assembly; and (2) persons
3 employed by the Department of Juvenile Justice on or after the
4 effective date of this amendatory Act of the 94th General
5 Assembly who are required by subsection (b) of Section 3-2.5-15
6 of the Unified Code of Corrections to have a bachelor's or
7 advanced degree from an accredited college or university with a
8 specialization in criminal justice, education, psychology,
9 social work, or a closely related social science or, in the
10 case of persons who provide vocational training, who are
11 required to have adequate knowledge in the skill for which they
12 are providing the vocational training.

13 (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06.)

14 Section 20. The Riverboat Gambling Act is amended by
15 changing Sections 4, 5, and 13 and by adding Section 5.2 as
16 follows:

17 (230 ILCS 10/4) (from Ch. 120, par. 2404)

18 Sec. 4. Definitions. As used in this Act:

19 (a) "Board" means the Illinois Gaming Board.

20 (b) "Occupational license" means a license issued by the
21 Board to a person or entity to perform an occupation which the
22 Board has identified as requiring a license to engage in
23 riverboat gambling in Illinois.

24 (c) "Gambling game" includes, but is not limited to,

1 baccarat, twenty-one, poker, craps, slot machine, video game of
2 chance, roulette wheel, klondike table, punchboard, faro
3 layout, keno layout, numbers ticket, push card, jar ticket, or
4 pull tab which is authorized by the Board as a wagering device
5 under this Act.

6 (d) "Riverboat" means a self-propelled excursion boat, a
7 permanently moored barge, or permanently moored barges that are
8 permanently fixed together to operate as one vessel, on which
9 lawful gambling is authorized and licensed as provided in this
10 Act.

11 (e) "Managers license" means a license issued by the Board
12 to a person or entity to manage gambling operations conducted
13 by the State pursuant to Section 7.3 ~~7.2~~.

14 (f) "Dock" means the location where a riverboat moors for
15 the purpose of embarking passengers for and disembarking
16 passengers from the riverboat.

17 (g) "Gross receipts" means the total amount of money
18 exchanged for the purchase of chips, tokens or electronic cards
19 by riverboat patrons.

20 (h) "Adjusted gross receipts" means the gross receipts less
21 winnings paid to wagerers.

22 (i) "Cheat" means to alter the selection of criteria which
23 determine the result of a gambling game or the amount or
24 frequency of payment in a gambling game.

25 (j) (Blank) ~~"Department" means the Department of Revenue.~~

26 (k) "Gambling operation" means the conduct of authorized

1 gambling games upon a riverboat.

2 (l) "License bid" means the lump sum amount of money that
3 an applicant bids and agrees to pay the State in return for an
4 owners license that is re-issued on or after July 1, 2003.

5 (m) The terms "minority person" and "female" shall have the
6 same meaning as defined in Section 2 of the Business Enterprise
7 for Minorities, Females, and Persons with Disabilities Act.

8 (Source: P.A. 92-600, eff. 6-28-02; 93-28, eff. 6-20-03;
9 revised 1-28-04.)

10 (230 ILCS 10/5) (from Ch. 120, par. 2405)

11 Sec. 5. Gaming Board.

12 (a) (1) There is hereby established the ~~within the~~
13 ~~Department of Revenue an~~ Illinois Gaming Board, which shall
14 have the powers and duties specified in this Act, and all other
15 powers necessary and proper to fully and effectively execute
16 this Act for the purpose of administering, regulating, and
17 enforcing the system of riverboat gambling established by this
18 Act. Its jurisdiction shall extend under this Act to every
19 person, association, corporation, partnership and trust
20 involved in riverboat gambling operations in the State of
21 Illinois.

22 (2) The Board shall consist of 5 members to be appointed by
23 the Governor with the advice and consent of the Senate, one of
24 whom shall be designated by the Governor to be chairman. Each
25 member shall have a reasonable knowledge of the practice,

1 procedure and principles of gambling operations. Each member
2 shall either be a resident of Illinois or shall certify that he
3 will become a resident of Illinois before taking office. At
4 least one member shall be experienced in law enforcement and
5 criminal investigation, at least one member shall be a
6 certified public accountant experienced in accounting and
7 auditing, and at least one member shall be a lawyer licensed to
8 practice law in Illinois.

9 (3) The terms of office of the Board members shall be 3
10 years, except that the terms of office of the initial Board
11 members appointed pursuant to this Act will commence from the
12 effective date of this Act and run as follows: one for a term
13 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
14 a term ending July 1, 1993. Upon the expiration of the
15 foregoing terms, the successors of such members shall serve a
16 term for 3 years and until their successors are appointed and
17 qualified for like terms. Vacancies in the Board shall be
18 filled for the unexpired term in like manner as original
19 appointments. Each member of the Board shall be eligible for
20 reappointment at the discretion of the Governor with the advice
21 and consent of the Senate.

22 (4) Each member of the Board shall receive \$300 for each
23 day the Board meets and for each day the member conducts any
24 hearing pursuant to this Act. Each member of the Board shall
25 also be reimbursed for all actual and necessary expenses and
26 disbursements incurred in the execution of official duties.

1 (5) No person shall be appointed a member of the Board or
2 continue to be a member of the Board who is, or whose spouse,
3 child or parent is, a member of the board of directors of, or a
4 person financially interested in, any gambling operation
5 subject to the jurisdiction of this Board, or any race track,
6 race meeting, racing association or the operations thereof
7 subject to the jurisdiction of the Illinois Racing Board. No
8 Board member shall hold any other public office for which he
9 shall receive compensation other than necessary travel or other
10 incidental expenses. No person shall be a member of the Board
11 who is not of good moral character or who has been convicted
12 of, or is under indictment for, a felony under the laws of
13 Illinois or any other state, or the United States.

14 (6) Any member of the Board may be removed by the Governor
15 for neglect of duty, misfeasance, malfeasance, or nonfeasance
16 in office.

17 (7) Before entering upon the discharge of the duties of his
18 office, each member of the Board shall take an oath that he
19 will faithfully execute the duties of his office according to
20 the laws of the State and the rules and regulations adopted
21 therewith and shall give bond to the State of Illinois,
22 approved by the Governor, in the sum of \$25,000. Every such
23 bond, when duly executed and approved, shall be recorded in the
24 office of the Secretary of State. Whenever the Governor
25 determines that the bond of any member of the Board has become
26 or is likely to become invalid or insufficient, he shall

1 require such member forthwith to renew his bond, which is to be
2 approved by the Governor. Any member of the Board who fails to
3 take oath and give bond within 30 days from the date of his
4 appointment, or who fails to renew his bond within 30 days
5 after it is demanded by the Governor, shall be guilty of
6 neglect of duty and may be removed by the Governor. The cost of
7 any bond given by any member of the Board under this Section
8 shall be taken to be a part of the necessary expenses of the
9 Board.

10 (8) ~~The~~ Upon the request of the Board, the Department shall
11 employ such personnel as may be necessary to carry out its ~~the~~
12 functions and shall determine the salaries of all personnel,
13 except those personnel whose salaries are determined under the
14 terms of a collective bargaining agreement ~~of the Board~~. No
15 person shall be employed to serve the Board who is, or whose
16 spouse, parent or child is, an official of, or has a financial
17 interest in or financial relation with, any operator engaged in
18 gambling operations within this State or any organization
19 engaged in conducting horse racing within this State. Any
20 employee violating these prohibitions shall be subject to
21 termination of employment.

22 (9) An Administrator shall perform any and all duties that
23 the Board shall assign him. The salary of the Administrator
24 shall be determined by the Board ~~and approved by the Director~~
25 ~~of the Department~~ and, in addition, he shall be reimbursed for
26 all actual and necessary expenses incurred by him in discharge

1 of his official duties. The Administrator shall keep records of
2 all proceedings of the Board and shall preserve all records,
3 books, documents and other papers belonging to the Board or
4 entrusted to its care. The Administrator shall devote his full
5 time to the duties of the office and shall not hold any other
6 office or employment.

7 (b) The Board shall have general responsibility for the
8 implementation of this Act. Its duties include, without
9 limitation, the following:

10 (1) To decide promptly and in reasonable order all
11 license applications. Any party aggrieved by an action of
12 the Board denying, suspending, revoking, restricting or
13 refusing to renew a license may request a hearing before
14 the Board. A request for a hearing must be made to the
15 Board in writing within 5 days after service of notice of
16 the action of the Board. Notice of the action of the Board
17 shall be served either by personal delivery or by certified
18 mail, postage prepaid, to the aggrieved party. Notice
19 served by certified mail shall be deemed complete on the
20 business day following the date of such mailing. The Board
21 shall conduct all requested hearings promptly and in
22 reasonable order;

23 (2) To conduct all hearings pertaining to civil
24 violations of this Act or rules and regulations promulgated
25 hereunder;

26 (3) To promulgate such rules and regulations as in its

1 judgment may be necessary to protect or enhance the
2 credibility and integrity of gambling operations
3 authorized by this Act and the regulatory process
4 hereunder;

5 (4) To provide for the establishment and collection of
6 all license and registration fees and taxes imposed by this
7 Act and the rules and regulations issued pursuant hereto.
8 All such fees and taxes shall be deposited into the State
9 Gaming Fund;

10 (5) To provide for the levy and collection of penalties
11 and fines for the violation of provisions of this Act and
12 the rules and regulations promulgated hereunder. All such
13 fines and penalties shall be deposited into the Education
14 Assistance Fund, created by Public Act 86-0018, of the
15 State of Illinois;

16 (6) To be present through its inspectors and agents any
17 time gambling operations are conducted on any riverboat for
18 the purpose of certifying the revenue thereof, receiving
19 complaints from the public, and conducting such other
20 investigations into the conduct of the gambling games and
21 the maintenance of the equipment as from time to time the
22 Board may deem necessary and proper;

23 (7) To review and rule upon any complaint by a licensee
24 regarding any investigative procedures of the State which
25 are unnecessarily disruptive of gambling operations. The
26 need to inspect and investigate shall be presumed at all

1 times. The disruption of a licensee's operations shall be
2 proved by clear and convincing evidence, and establish
3 that: (A) the procedures had no reasonable law enforcement
4 purposes, and (B) the procedures were so disruptive as to
5 unreasonably inhibit gambling operations;

6 (8) To hold at least one meeting each quarter of the
7 fiscal year. In addition, special meetings may be called by
8 the Chairman or any 2 Board members upon 72 hours written
9 notice to each member. All Board meetings shall be subject
10 to the Open Meetings Act. Three members of the Board shall
11 constitute a quorum, and 3 votes shall be required for any
12 final determination by the Board. The Board shall keep a
13 complete and accurate record of all its meetings. A
14 majority of the members of the Board shall constitute a
15 quorum for the transaction of any business, for the
16 performance of any duty, or for the exercise of any power
17 which this Act requires the Board members to transact,
18 perform or exercise en banc, except that, upon order of the
19 Board, one of the Board members or an administrative law
20 judge designated by the Board may conduct any hearing
21 provided for under this Act or by Board rule and may
22 recommend findings and decisions to the Board. The Board
23 member or administrative law judge conducting such hearing
24 shall have all powers and rights granted to the Board in
25 this Act. The record made at the time of the hearing shall
26 be reviewed by the Board, or a majority thereof, and the

1 findings and decision of the majority of the Board shall
2 constitute the order of the Board in such case;

3 (9) To maintain records which are separate and distinct
4 from the records of any other State board or commission.
5 Such records shall be available for public inspection and
6 shall accurately reflect all Board proceedings;

7 (10) To file a written annual report with the Governor
8 on or before March 1 each year and such additional reports
9 as the Governor may request. The annual report shall
10 include a statement of receipts and disbursements by the
11 Board, actions taken by the Board, and any additional
12 information and recommendations which the Board may deem
13 valuable or which the Governor may request;

14 (11) (Blank); ~~and~~

15 (12) (Blank); and ~~To assume responsibility for the~~
16 ~~administration and enforcement of the Bingo License and Tax~~
17 ~~Act, the Charitable Games Act, and the Pull Tabs and Jar~~
18 ~~Games Act if such responsibility is delegated to it by the~~
19 ~~Director of Revenue.~~

20 (13) To adopt, by rule, a code of conduct governing
21 Board members and employees that ensure, to the maximum
22 extent possible, that persons subject to this Code avoid
23 situations, relationships, or associations that may
24 represent or lead to a conflict of interest.

25 (c) The Board shall have jurisdiction over and shall
26 supervise all gambling operations governed by this Act. The

1 Board shall have all powers necessary and proper to fully and
2 effectively execute the provisions of this Act, including, but
3 not limited to, the following:

4 (1) To investigate applicants and determine the
5 eligibility of applicants for licenses and to select among
6 competing applicants the applicants which best serve the
7 interests of the citizens of Illinois.

8 (2) To have jurisdiction and supervision over all
9 riverboat gambling operations in this State and all persons
10 on riverboats where gambling operations are conducted.

11 (3) To promulgate rules and regulations for the purpose
12 of administering the provisions of this Act and to
13 prescribe rules, regulations and conditions under which
14 all riverboat gambling in the State shall be conducted.
15 Such rules and regulations are to provide for the
16 prevention of practices detrimental to the public interest
17 and for the best interests of riverboat gambling, including
18 rules and regulations regarding the inspection of such
19 riverboats and the review of any permits or licenses
20 necessary to operate a riverboat under any laws or
21 regulations applicable to riverboats, and to impose
22 penalties for violations thereof.

23 (4) To enter the office, riverboats, facilities, or
24 other places of business of a licensee, where evidence of
25 the compliance or noncompliance with the provisions of this
26 Act is likely to be found.

1 (5) To investigate alleged violations of this Act or
2 the rules of the Board and to take appropriate disciplinary
3 action against a licensee or a holder of an occupational
4 license for a violation, or institute appropriate legal
5 action for enforcement, or both.

6 (6) To adopt standards for the licensing of all persons
7 under this Act, as well as for electronic or mechanical
8 gambling games, and to establish fees for such licenses.

9 (7) To adopt appropriate standards for all riverboats
10 and facilities.

11 (8) To require that the records, including financial or
12 other statements of any licensee under this Act, shall be
13 kept in such manner as prescribed by the Board and that any
14 such licensee involved in the ownership or management of
15 gambling operations submit to the Board an annual balance
16 sheet and profit and loss statement, list of the
17 stockholders or other persons having a 1% or greater
18 beneficial interest in the gambling activities of each
19 licensee, and any other information the Board deems
20 necessary in order to effectively administer this Act and
21 all rules, regulations, orders and final decisions
22 promulgated under this Act.

23 (9) To conduct hearings, issue subpoenas for the
24 attendance of witnesses and subpoenas duces tecum for the
25 production of books, records and other pertinent documents
26 in accordance with the Illinois Administrative Procedure

1 Act, and to administer oaths and affirmations to the
2 witnesses, when, in the judgment of the Board, it is
3 necessary to administer or enforce this Act or the Board
4 rules.

5 (10) To prescribe a form to be used by any licensee
6 involved in the ownership or management of gambling
7 operations as an application for employment for their
8 employees.

9 (11) To revoke or suspend licenses, as the Board may
10 see fit and in compliance with applicable laws of the State
11 regarding administrative procedures, and to review
12 applications for the renewal of licenses. The Board may
13 suspend an owners license, without notice or hearing upon a
14 determination that the safety or health of patrons or
15 employees is jeopardized by continuing a riverboat's
16 operation. The suspension may remain in effect until the
17 Board determines that the cause for suspension has been
18 abated. The Board may revoke the owners license upon a
19 determination that the owner has not made satisfactory
20 progress toward abating the hazard.

21 (12) To eject or exclude or authorize the ejection or
22 exclusion of, any person from riverboat gambling
23 facilities where such person is in violation of this Act,
24 rules and regulations thereunder, or final orders of the
25 Board, or where such person's conduct or reputation is such
26 that his presence within the riverboat gambling facilities

1 may, in the opinion of the Board, call into question the
2 honesty and integrity of the gambling operations or
3 interfere with orderly conduct thereof; provided that the
4 propriety of such ejection or exclusion is subject to
5 subsequent hearing by the Board.

6 (13) To require all licensees of gambling operations to
7 utilize a cashless wagering system whereby all players'
8 money is converted to tokens, electronic cards, or chips
9 which shall be used only for wagering in the gambling
10 establishment.

11 (14) (Blank).

12 (15) To suspend, revoke or restrict licenses, to
13 require the removal of a licensee or an employee of a
14 licensee for a violation of this Act or a Board rule or for
15 engaging in a fraudulent practice, and to impose civil
16 penalties of up to \$5,000 against individuals and up to
17 \$10,000 or an amount equal to the daily gross receipts,
18 whichever is larger, against licensees for each violation
19 of any provision of the Act, any rules adopted by the
20 Board, any order of the Board or any other action which, in
21 the Board's discretion, is a detriment or impediment to
22 riverboat gambling operations.

23 (16) To hire employees to gather information, conduct
24 investigations and carry out any other tasks contemplated
25 under this Act.

26 (17) To establish minimum levels of insurance to be

1 maintained by licensees.

2 (18) To authorize a licensee to sell or serve alcoholic
3 liquors, wine or beer as defined in the Liquor Control Act
4 of 1934 on board a riverboat and to have exclusive
5 authority to establish the hours for sale and consumption
6 of alcoholic liquor on board a riverboat, notwithstanding
7 any provision of the Liquor Control Act of 1934 or any
8 local ordinance, and regardless of whether the riverboat
9 makes excursions. The establishment of the hours for sale
10 and consumption of alcoholic liquor on board a riverboat is
11 an exclusive power and function of the State. A home rule
12 unit may not establish the hours for sale and consumption
13 of alcoholic liquor on board a riverboat. This amendatory
14 Act of 1991 is a denial and limitation of home rule powers
15 and functions under subsection (h) of Section 6 of Article
16 VII of the Illinois Constitution.

17 (19) After consultation with the U.S. Army Corps of
18 Engineers, to establish binding emergency orders upon the
19 concurrence of a majority of the members of the Board
20 regarding the navigability of water, relative to
21 excursions, in the event of extreme weather conditions,
22 acts of God or other extreme circumstances.

23 (20) To delegate the execution of any of its powers
24 under this Act for the purpose of administering and
25 enforcing this Act and its rules and regulations hereunder.

26 (20.5) To approve any contract entered into on its

1 behalf.

2 (20.6) To appoint investigators to conduct all
3 investigations, searches, seizures, arrests, and other
4 duties imposed under this Act. These investigators have and
5 may exercise all the rights and powers of peace officers,
6 provided that these powers shall be limited to offenses or
7 violations occurring or committed on a riverboat or dock,
8 as defined in subsections (d) and (f) of Section 4. The
9 Board must issue to each investigator a distinct badge
10 that, on its face, (i) clearly states that the badge is
11 authorized by the Board and (ii) contains a unique
12 identifying number. No other badge shall be authorized by
13 the Board.

14 (21) To take any other action as may be reasonable or
15 appropriate to enforce this Act and rules and regulations
16 hereunder.

17 (d) The Board may seek and shall receive the cooperation of
18 the Department of State Police in conducting background
19 investigations of applicants and in fulfilling its
20 responsibilities under this Section. Costs incurred by the
21 Department of State Police as a result of such cooperation
22 shall be paid by the Board in conformance with the requirements
23 of Section 2605-400 of the Department of State Police Law (20
24 ILCS 2605/2605-400).

25 (e) The Board must authorize to each investigator and to
26 any other employee of the Board exercising the powers of a

1 peace officer a distinct badge that, on its face, (i) clearly
2 states that the badge is authorized by the Board and (ii)
3 contains a unique identifying number. No other badge shall be
4 authorized by the Board.

5 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883,
6 eff. 1-1-01.)

7 (230 ILCS 10/5.2 new)

8 Sec. 5.2. Separation from Department of Revenue. On the
9 effective date of this amendatory Act of the 95th General
10 Assembly, all of the powers, duties, assets, liabilities,
11 employees, contracts, property, records, pending business, and
12 unexpended appropriations of the Department of Revenue related
13 to the administration and enforcement of this Act are
14 transferred to the Illinois Gaming Board.

15 The status and rights of the transferred employees, and the
16 rights of the State of Illinois and its agencies, under the
17 Personnel Code and applicable collective bargaining agreements
18 or under any pension, retirement, or annuity plan are not
19 affected (except as provided in Sections 14-110 and 18-127 of
20 the Illinois Pension Code) by that transfer or by any other
21 provision of this amendatory Act of the 95th General Assembly.

22 (230 ILCS 10/13) (from Ch. 120, par. 2413)

23 Sec. 13. Wagering tax; rate; distribution.

24 (a) Until January 1, 1998, a tax is imposed on the adjusted

1 gross receipts received from gambling games authorized under
2 this Act at the rate of 20%.

3 (a-1) From January 1, 1998 until July 1, 2002, a privilege
4 tax is imposed on persons engaged in the business of conducting
5 riverboat gambling operations, based on the adjusted gross
6 receipts received by a licensed owner from gambling games
7 authorized under this Act at the following rates:

8 15% of annual adjusted gross receipts up to and
9 including \$25,000,000;

10 20% of annual adjusted gross receipts in excess of
11 \$25,000,000 but not exceeding \$50,000,000;

12 25% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 30% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 35% of annual adjusted gross receipts in excess of
17 \$100,000,000.

18 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
19 is imposed on persons engaged in the business of conducting
20 riverboat gambling operations, other than licensed managers
21 conducting riverboat gambling operations on behalf of the
22 State, based on the adjusted gross receipts received by a
23 licensed owner from gambling games authorized under this Act at
24 the following rates:

25 15% of annual adjusted gross receipts up to and
26 including \$25,000,000;

1 22.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$50,000,000;

3 27.5% of annual adjusted gross receipts in excess of
4 \$50,000,000 but not exceeding \$75,000,000;

5 32.5% of annual adjusted gross receipts in excess of
6 \$75,000,000 but not exceeding \$100,000,000;

7 37.5% of annual adjusted gross receipts in excess of
8 \$100,000,000 but not exceeding \$150,000,000;

9 45% of annual adjusted gross receipts in excess of
10 \$150,000,000 but not exceeding \$200,000,000;

11 50% of annual adjusted gross receipts in excess of
12 \$200,000,000.

13 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
14 persons engaged in the business of conducting riverboat
15 gambling operations, other than licensed managers conducting
16 riverboat gambling operations on behalf of the State, based on
17 the adjusted gross receipts received by a licensed owner from
18 gambling games authorized under this Act at the following
19 rates:

20 15% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 27.5% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$37,500,000;

24 32.5% of annual adjusted gross receipts in excess of
25 \$37,500,000 but not exceeding \$50,000,000;

26 37.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;
2 45% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;
4 50% of annual adjusted gross receipts in excess of
5 \$100,000,000 but not exceeding \$250,000,000;
6 70% of annual adjusted gross receipts in excess of
7 \$250,000,000.

8 An amount equal to the amount of wagering taxes collected
9 under this subsection (a-3) that are in addition to the amount
10 of wagering taxes that would have been collected if the
11 wagering tax rates under subsection (a-2) were in effect shall
12 be paid into the Common School Fund.

13 The privilege tax imposed under this subsection (a-3) shall
14 no longer be imposed beginning on the earlier of (i) July 1,
15 2005; (ii) the first date after June 20, 2003 that riverboat
16 gambling operations are conducted pursuant to a dormant
17 license; or (iii) the first day that riverboat gambling
18 operations are conducted under the authority of an owners
19 license that is in addition to the 10 owners licenses initially
20 authorized under this Act. For the purposes of this subsection
21 (a-3), the term "dormant license" means an owners license that
22 is authorized by this Act under which no riverboat gambling
23 operations are being conducted on June 20, 2003.

24 (a-4) Beginning on the first day on which the tax imposed
25 under subsection (a-3) is no longer imposed, a privilege tax is
26 imposed on persons engaged in the business of conducting

1 riverboat gambling operations, other than licensed managers
2 conducting riverboat gambling operations on behalf of the
3 State, based on the adjusted gross receipts received by a
4 licensed owner from gambling games authorized under this Act at
5 the following rates:

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 22.5% of annual adjusted gross receipts in excess of
9 \$25,000,000 but not exceeding \$50,000,000;

10 27.5% of annual adjusted gross receipts in excess of
11 \$50,000,000 but not exceeding \$75,000,000;

12 32.5% of annual adjusted gross receipts in excess of
13 \$75,000,000 but not exceeding \$100,000,000;

14 37.5% of annual adjusted gross receipts in excess of
15 \$100,000,000 but not exceeding \$150,000,000;

16 45% of annual adjusted gross receipts in excess of
17 \$150,000,000 but not exceeding \$200,000,000;

18 50% of annual adjusted gross receipts in excess of
19 \$200,000,000.

20 (a-8) Riverboat gambling operations conducted by a
21 licensed manager on behalf of the State are not subject to the
22 tax imposed under this Section.

23 (a-10) The taxes imposed by this Section shall be paid by
24 the licensed owner to the Board not later than 3:00 o'clock
25 p.m. of the day after the day when the wagers were made.

26 (a-15) If the privilege tax imposed under subsection (a-3)

1 is no longer imposed pursuant to item (i) of the last paragraph
2 of subsection (a-3), then by June 15 of each year, each owners
3 licensee, other than an owners licensee that admitted 1,000,000
4 persons or fewer in calendar year 2004, must, in addition to
5 the payment of all amounts otherwise due under this Section,
6 pay to the Board a reconciliation payment in the amount, if
7 any, by which the licensed owner's base amount exceeds the
8 amount of net privilege tax paid by the licensed owner to the
9 Board in the then current State fiscal year. A licensed owner's
10 net privilege tax obligation due for the balance of the State
11 fiscal year shall be reduced up to the total of the amount paid
12 by the licensed owner in its June 15 reconciliation payment.
13 The obligation imposed by this subsection (a-15) is binding on
14 any person, firm, corporation, or other entity that acquires an
15 ownership interest in any such owners license. The obligation
16 imposed under this subsection (a-15) terminates on the earliest
17 of: (i) July 1, 2007, (ii) the first day after the effective
18 date of this amendatory Act of the 94th General Assembly that
19 riverboat gambling operations are conducted pursuant to a
20 dormant license, (iii) the first day that riverboat gambling
21 operations are conducted under the authority of an owners
22 license that is in addition to the 10 owners licenses initially
23 authorized under this Act, or (iv) the first day that a
24 licensee under the Illinois Horse Racing Act of 1975 conducts
25 gaming operations with slot machines or other electronic gaming
26 devices. The Board must reduce the obligation imposed under

1 this subsection (a-15) by an amount the Board deems reasonable
2 for any of the following reasons: (A) an act or acts of God,
3 (B) an act of bioterrorism or terrorism or a bioterrorism or
4 terrorism threat that was investigated by a law enforcement
5 agency, or (C) a condition beyond the control of the owners
6 licensee that does not result from any act or omission by the
7 owners licensee or any of its agents and that poses a hazardous
8 threat to the health and safety of patrons. If an owners
9 licensee pays an amount in excess of its liability under this
10 Section, the Board shall apply the overpayment to future
11 payments required under this Section.

12 For purposes of this subsection (a-15):

13 "Act of God" means an incident caused by the operation of
14 an extraordinary force that cannot be foreseen, that cannot be
15 avoided by the exercise of due care, and for which no person
16 can be held liable.

17 "Base amount" means the following:

18 For a riverboat in Alton, \$31,000,000.

19 For a riverboat in East Peoria, \$43,000,000.

20 For the Empress riverboat in Joliet, \$86,000,000.

21 For a riverboat in Metropolis, \$45,000,000.

22 For the Harrah's riverboat in Joliet, \$114,000,000.

23 For a riverboat in Aurora, \$86,000,000.

24 For a riverboat in East St. Louis, \$48,500,000.

25 For a riverboat in Elgin, \$198,000,000.

26 "Dormant license" has the meaning ascribed to it in

1 subsection (a-3).

2 "Net privilege tax" means all privilege taxes paid by a
3 licensed owner to the Board under this Section, less all
4 payments made from the State Gaming Fund pursuant to subsection
5 (b) of this Section.

6 The changes made to this subsection (a-15) by Public Act
7 94-839 ~~this amendatory Act of the 94th General Assembly~~ are
8 intended to restate and clarify the intent of Public Act 94-673
9 with respect to the amount of the payments required to be made
10 under this subsection by an owners licensee to the Board.

11 (b) Until January 1, 1998, 25% of the tax revenue deposited
12 in the State Gaming Fund under this Section shall be paid,
13 subject to appropriation by the General Assembly, to the unit
14 of local government which is designated as the home dock of the
15 riverboat. Beginning January 1, 1998, from the tax revenue
16 deposited in the State Gaming Fund under this Section, an
17 amount equal to 5% of adjusted gross receipts generated by a
18 riverboat shall be paid monthly, subject to appropriation by
19 the General Assembly, to the unit of local government that is
20 designated as the home dock of the riverboat. From the tax
21 revenue deposited in the State Gaming Fund pursuant to
22 riverboat gambling operations conducted by a licensed manager
23 on behalf of the State, an amount equal to 5% of adjusted gross
24 receipts generated pursuant to those riverboat gambling
25 operations shall be paid monthly, subject to appropriation by
26 the General Assembly, to the unit of local government that is

1 designated as the home dock of the riverboat upon which those
2 riverboat gambling operations are conducted.

3 (c) Appropriations, as approved by the General Assembly,
4 may be made from the State Gaming Fund to the Board (i)
5 ~~Department of Revenue and the Department of State Police~~ for
6 the administration and enforcement of this Act, (ii) for
7 distribution to the Department of State Police for the
8 enforcement of this Act, and (iii) or to the Department of
9 Human Services for the administration of programs to treat
10 problem gambling.

11 (c-5) Before May 26, 2006 (the effective date of Public Act
12 94-804) ~~this amendatory Act of the 94th General Assembly~~ and
13 beginning 2 years after May 26, 2006 (the effective date of
14 Public Act 94-804) ~~this amendatory Act of the 94th General~~
15 ~~Assembly~~, after the payments required under subsections (b) and
16 (c) have been made, an amount equal to 15% of the adjusted
17 gross receipts of (1) an owners licensee that relocates
18 pursuant to Section 11.2, (2) an owners licensee conducting
19 riverboat gambling operations pursuant to an owners license
20 that is initially issued after June 25, 1999, or (3) the first
21 riverboat gambling operations conducted by a licensed manager
22 on behalf of the State under Section 7.3, whichever comes
23 first, shall be paid from the State Gaming Fund into the Horse
24 Racing Equity Fund.

25 (c-10) Each year the General Assembly shall appropriate
26 from the General Revenue Fund to the Education Assistance Fund

1 an amount equal to the amount paid into the Horse Racing Equity
2 Fund pursuant to subsection (c-5) in the prior calendar year.

3 (c-15) After the payments required under subsections (b),
4 (c), and (c-5) have been made, an amount equal to 2% of the
5 adjusted gross receipts of (1) an owners licensee that
6 relocates pursuant to Section 11.2, (2) an owners licensee
7 conducting riverboat gambling operations pursuant to an owners
8 license that is initially issued after June 25, 1999, or (3)
9 the first riverboat gambling operations conducted by a licensed
10 manager on behalf of the State under Section 7.3, whichever
11 comes first, shall be paid, subject to appropriation from the
12 General Assembly, from the State Gaming Fund to each home rule
13 county with a population of over 3,000,000 inhabitants for the
14 purpose of enhancing the county's criminal justice system.

15 (c-20) Each year the General Assembly shall appropriate
16 from the General Revenue Fund to the Education Assistance Fund
17 an amount equal to the amount paid to each home rule county
18 with a population of over 3,000,000 inhabitants pursuant to
19 subsection (c-15) in the prior calendar year.

20 (c-25) After the payments required under subsections (b),
21 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
22 the adjusted gross receipts of (1) an owners licensee that
23 relocates pursuant to Section 11.2, (2) an owners licensee
24 conducting riverboat gambling operations pursuant to an owners
25 license that is initially issued after June 25, 1999, or (3)
26 the first riverboat gambling operations conducted by a licensed

1 manager on behalf of the State under Section 7.3, whichever
2 comes first, shall be paid from the State Gaming Fund to
3 Chicago State University.

4 (d) From time to time, the Board shall transfer the
5 remainder of the funds generated by this Act into the Education
6 Assistance Fund, created by Public Act 86-0018, of the State of
7 Illinois.

8 (e) Nothing in this Act shall prohibit the unit of local
9 government designated as the home dock of the riverboat from
10 entering into agreements with other units of local government
11 in this State or in other states to share its portion of the
12 tax revenue.

13 (f) To the extent practicable, the Board shall administer
14 and collect the wagering taxes imposed by this Section in a
15 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
16 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
17 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
18 Penalty and Interest Act.

19 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,
20 eff. 8-23-05; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06;
21 revised 8-3-06.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.